

AWARD/CONTRACT		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)		RATING		PAGE OF PAGES 1 19	
2. CONTRACT (Proc. Inst. Ident.) NO. HFD011-05-C-0038		3. EFFECTIVE DATE JAN 26 2005		4. REQUISITION/PURCHASE REQUEST/PROJECT NO.			
5. ISSUED BY DARPA CMO ATTN: DOUGLAS M. POLLOCK 3701 NORTH FAIRFAX DRIVE ARLINGTON VA 22203-1714		CODE HFD011		6. ADMINISTERED BY (If other than Item 5) DCMA SPRINGFIELD BLDG. 1, ARDEC PICATINNY NJ 07806-5000		CODE S3101A	
7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, state and zip code) NET-SCALE TECHNOLOGIES INC 281 STATE HWY 79 MORGANVILLE NJ 07751-1157				8. DELIVERY [] FOB ORIGIN [X] OTHER (See below)			
				9. DISCOUNT FOR PROMPT PAYMENT			
CODE 3DA51				FACILITY CODE		10. SUBMIT INVOICES 3 (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN:	
11. SHIP TO/MARK FOR See Schedule		CODE		12. PAYMENT WILL BE MADE BY DFAS COLUMBUS CENTER NORTH ENTITLEMENT OPERATIONS P.O. BOX 182286 COLUMBUS OH 43218-2286		CODE HQ0337	
13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: [] 10 U.S.C. 2304(c)() [] 41 U.S.C. 253(c)()				14. ACCOUNTING AND APPROPRIATION DATA See Schedule			
15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT		
SEE SCHEDULE							
15G. TOTAL AMOUNT OF CONTRACT							\$988,044.00
16. TABLE OF CONTENTS							
(X)	SEC.	DESCRIPTION	PAGE(S)	(X)	SEC.	DESCRIPTION	PAGE(S)
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CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE							
17. [X] CONTRACTOR'S NEGOTIATED Contractor is required to sign this document and return copies to issuing office. Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications as are attached or incorporated by reference herein. (Attachments are listed herein.)				18. [] AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.			
19A. NAME AND TITLE OF SIGNER (Type or print) Urs Muller, CEO				20A. NAME AND TITLE OF CONTRACTING OFFICER (b)(6) pollock@darpa.mil			
19B. NAME OF CONTRACTOR BY Urs Muller (Signature of person authorized to sign)		19C. DATE SIGNED 01/12/2005		20B. DATE SIGNED (b)(6)		20C. DATE SIGNED JAN 26 2005	

NSN 7540-01-152-8069

28-107

STANDARD FORM 26 (REV. 4-85)

PREVIOUS EDITION
UNUSABLE

GPO 1985 O - 469-794

Prescribed by GSA
FAR (48 CFR) 53.214(a)

DUPLICATE ORIGINAL

B-1 Services and Costs

<u>CLIN</u>	<u>SUPPLIES/SERVICES</u>	<u>ESTIMATED COST</u>	<u>FIXED FEE</u>	<u>TOTAL EST. COST PLUS FIXED FEE</u>
0001	Energy Based Models for End-to-End Learning of Ground Vehicle Navigation Phase 1 PURCHASE REQUEST NUMBER T465 ACRN AA Funded Amount: \$825,000.00	(b)(4)		\$988,044
0002	Reports/Deliverables	*NSP	NSP	NSP
0002AA	Monthly R&D Status Report			
0002AB	Special Technical Report			
0002AC	Final Technical Report			
0002AD	DARPA/IPTO Quarterly Status Report			
0002AE	Annual Project Summary Report			
TOTAL 0001/0002 CONTRACT CONSIDERATION:		(b)(4)	(b)(4)	\$988,044
0003	Option 1: Energy Based Models for End-to-End Learning of Ground Vehicle Navigation -- Phase 2	(b)(4)	(b)(4)	\$494,808
0004	Reports/Deliverables Option 1	*NSP	NSP	NSP
0004AA	Monthly R&D Status Report			
0004AB	Special Technical Report			
0004AC	Final Technical Report			
0004AD	DARPA/IPTO Quarterly Status Report			
0004AE	Annual Project Summary Report			
TOTAL 0003/0004 CONTRACT CONSIDERATION:		(b)(4)	(b)(4)	\$494,808
0005	Option 2: Energy Based Models for End-to-End Learning of Ground Vehicle Navigation -- Phase 3	(b)(4)	(b)(4)	\$494,808
0006	Reports/Deliverables Option 2	*NSP	NSP	NSP
0006AA	Monthly R&D Status Report			

0006AB Special Technical Report
 0006AC Final Technical Report
 0006AD DARPA/IPTO Quarterly Status Report
 0006AE Annual Project Summary Report

TOTAL 0005/0006 CONTRACT CONSIDERATION: (b)(4) (b)(4) \$494,808

*Not Separately Priced

Section C: Description/Specifications/Work Statement

C-1 Scope of Work

(a) The Contractor shall furnish the necessary personnel, materials, facilities and other services as may be required to perform the work set forth herein and as specified in Phase 1 of the Contractor's Proposal entitled "Energy Based Models for End-to-End Learning of Ground Vehicle Navigation," dated June 15, 2004 as revised January 10, 2005. Phases 2 and 3 shall be similarly performed upon exercise of their corresponding Options 1 and 2. Copies of the proposal, submitted in response to DARPA BAA 04-25, are in the possession of both parties to this contract.

(b) In the event of an inconsistency between the provisions of this contract and the technical proposal, the inconsistency shall be resolved by giving precedence in the following order: (1) the contract, (2) the attachments to the contract, and then (3) the technical proposal.

C-2 Reports and Other Deliverables

(a) The contractor shall submit the following reports and other deliverables in accordance with the delivery schedule set forth in Section F:

0002AA/0004AA/0006AA - Monthly R&D Status Report

This brief narrative, not to exceed three (3) pages in length, shall be prepared in Contractor format in accordance with the proposal referenced in Article C-1.

0002AB/0004AB/0006AB - Special Technical Report.

This report, prepared in accordance with Data Item DI-MISC-80711, shall document conceptual and system designs and the results of any significant task, system test, event, demonstration, or symposium. The title page and summary shall be the same as that indicated for Item No. 0002AC.

0002AC/0004AC/0006AC - Final Technical Report.

This report, prepared in accordance with Data Item DI-MISC-80711, shall document the results of the complete effort. The title page shall include a disclaimer worded substantially as follows:

"Any opinions, findings and conclusions or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the views of the Defense Advanced Research Projects Agency or the U.S. Government."

The final technical report shall provide comprehensive information of the software written, the network architectures used, the learning experiments carried out, and the scientific results that were achieved. It shall include (1) documentation of the learning system and algorithms used and the scientific findings and results in sufficient technical detail to allow other parties to repeat the results, and (2) video movies that document the progress throughout the project and show the final vehicle performance. The final technical report summary shall include:

- Task Objectives
- Technical Problems
- General Methodology (i.e., literature review, laboratory experiment, survey, etc.)
- Technical Results
- Important Findings and Conclusions
- Significant Development (e.g., hardware, software, systems)
- Special Comments
- Implications for Further Research
- Standard Form 298, Report Documentation Page

0002AD/0004AD/0006AD - DARPA/IPTO Quarterly Status Report.

These reports, prepared in accordance with Data Item Description (DID) DI-MISC-81612A, available on the Government's ASSIST database (<http://assist.daps.dla.mil/quicksearch/>), shall be electronically submitted via the DARPA/IPTO Technical - Financial Information Management System (T-FIMS). The T-FIMS URL will be furnished by the Government upon award.

0002AE/0004AE/0006AE - Annual Project Summary Report.

These reports, prepared in accordance with Data Item Description (DID) DI-MISC-81612A, available on the Government's ASSIST database (<http://assist.daps.dla.mil/quicksearch/>), shall be electronically submitted via the DARPA/IPTO Technical - Financial Information Management System (T-FIMS). The T-FIMS URL will be furnished by the Government upon award.

(b) Reports delivered and specific materials and designs developed by the Contractor in the performance of the contract shall be considered "Technical Data" as defined in the applicable Rights in Technical Data Clause incorporated by reference in Section I.

(c) Bulky reports shall be mailed by other than first-class mail unless the urgency of submission requires use of first-class mail. In this situation, one copy shall be mailed first-class and the remaining copies forwarded by less than first-class.

(d) All papers and articles published as a result of DARPA sponsored research shall include a statement reflecting that sponsorship. In addition, a bibliography of the titles and authors of all such papers are to be included in the Final Technical Report.

(e) The cover or title page of each of the above reports or publications prepared will have the following acknowledgement of support:

This material is based upon work supported by the
Defense Advanced Research Projects Agency
DARPA/IPTO
(Effort/Program Title)
ARPA Order No. T465
Program Code No. 4E20
Issued by DARPA/CMO under Contract #HR0011-05-C-0038

(f) All technical reports must (1) be prepared in accordance with American National Standards Institute Standard/National Information Standards Organization (ANSI/NISO) Z39.18-1995, "Scientific and

Technical Reports – Elements, Organization, and Design,” approved March 21, 1995, (2) include a Standard Form 298, and (3) be marked with an appropriate Distribution Statement.

Section D: Packaging and Marking

D-1 Packaging and Marking

All items shall be preserved, packaged, packed and marked in accordance with best commercial practices to meet the packing requirements of the carrier, and insure safe delivery at destination.

Section E: Inspection and Acceptance

E-1 Inspection and Acceptance at Destination

Inspection and acceptance of all items shall be made at destination by the receiving activity.

Section F: Deliveries or Performance

F-1 Term of Contract

The term of the contract commences on the effective date and continues through May 31, 2006. Exercise of each Option will extend this term by nine months.

F-2 Reports and Other Deliverables

(a) Delivery of all reports and other deliverables shall be made to the addressees specified in Article F-3 in accordance with the following:

<u>Item No.</u>	<u>Description</u>	<u>Due Date</u> (on or before)
0002AA	Monthly R&D Status Report	Monthly, commencing February 15, 2005
0002AB	Special Technical Report	As required
0002AC	Final Technical Report	May 31, 2006
0002AD	DARPA/IPTO Quarterly Status Report	Quarterly, commencing March 15, 2005
0002AE	Annual Project Summary Report	Annually, commencing July 31, 2005
[Option 1 Reports/Deliverables]		
0004AA	Monthly R&D Status Report	Monthly, commencing at end of month following exercise of Option 1
0004AB	Special Technical Report	As required
0004AC	Final Technical Report	February 28, 2007
0004AD	DARPA/IPTO Quarterly Status Report	Quarterly, commencing June 15, 2006
0004AE	Annual Project Summary Report	Annually, commencing July 31, 2006
[Option 2 Reports/Deliverables]		
0006AA	Monthly R&D Status Report	Monthly, commencing at end of month following exercise of Option 2
0006AB	Special Technical Report	As required
0006AC	Final Technical Report	November 30, 2007
0006AD	DARPA/IPTO Quarterly Status Report	Quarterly, commencing March 15, 2007
0006AE	Annual Project Summary Report	Annually, commencing July 31, 2007

F-3 Distribution of Reports and Other Deliverables

- (a) DARPA/IPTO
ATTN: Dr. Larry Jackel
3701 N. Fairfax Drive
Arlington, VA 22203-1714
(One copy of each deliverable)
- (b) DARPA/FA
ATTN: Library
(One copy of 0002AC, 0004AC, and 0006AC)
- (c) Defense Technical Information Center
ATTN: OCC
8725 John J. Kingman Road, Suite 0944
Ft. Belvoir, VA 22060-6218
(Two copies of each technical report)
- (d) Dale Van Cleave
AFRL/IFSC, Building 620
2241 Avionics Circle, Room S3Z30
WPAFB, OH 45433-7334
(One copy of each deliverable)

F-4 Notice Regarding Late Delivery

In the event the Contractor anticipates difficulty in complying with the contract delivery schedule, the Contractor shall immediately notify the Contracting Officer in writing, giving pertinent details, including the date by which it expects to make delivery; PROVIDED, however, that this date shall be informational only in character and the receipt thereof shall not be construed as a waiver by the Government of any contract delivery schedule, or any rights or remedies provided by law or under this contract.

Section G: Contract Administration Data

G-1 Vouchers

(a) Vouchers, identified by contract number, with supporting statements, shall be submitted for review and provisional approval to the cognizant audit agency listed below:

Southern New Jersey Branch Office-
ATTN: Ft. Monmouth Sub Office
Woodcrest Pavilion
10 Melrose Avenue, Suite 200
Cherry Hill, NJ 08003
DoDAAC: HAA310
Phone No: 856-354-7550
Fax No: 856-354-7520
E-mail: dcaa-fao6341@dcaa.mil

(b) The Contractor may submit interim payment vouchers directly to the Defense Finance and Accounting Service paying office after obtaining approval from its cognizant Defense Contract Audit Agency field audit office to participate in the direct billing program.

G-2 Contract Administration

The Government may contact the following Contractor representative for prompt action on matters pertaining to administration of the contract:

NAME: Marc Diamant
TITLE: COO
TELEPHONE NO: (732) 970-1441
FAX NO: (732) 879-0731
E-MAIL: mdiament@net-scale.com

G-3 Delegation of Authority for Contract Administration

DCMA Springfield is hereby designated as the Contracting Officer's authorized representative for administering this contract in accordance with current directives. Pursuant to FAR 42.302(b)(11), the contract administration office is specifically authorized to prepare the evaluation of the Contractor's performance in accordance with FAR Subpart 42.15.

G-4 Payment of Cost and Fee

As consideration for the proper performance of work required under this contract, the Contractor shall be paid as follows:

(a) Costs, as provided for under the contract clause entitled "Allowable Cost and Payment," not to exceed the amount set forth as "Total Estimated Cost" in Section B, and subject further to those Section I clauses entitled "Limitation of Cost" or "Limitation of Funds."

(1) Indirect Costs. For the period of this contract, subject to the establishment of final annual indirect cost rate(s), the Contractor shall be reimbursed at billing rate(s) established by the Contracting Officer or by an authorized Representative (the cognizant auditor), in accordance with paragraph (e) of the contract clause, "Allowable Cost and Payment."

(b) A fixed fee in the amount set forth as "Fixed Fee" in Section B, in accordance with the contract clause entitled "Fixed Fee," which shall be paid upon completion of the work required under this contract and upon final acceptance by the Contracting Officer; however, the Contractor may bill on each invoice the amount of the fixed fee bearing the same percentage to the total fixed fee as the amount of cost billed bears to the total estimated cost.

(c) The payment office shall liquidate funds on a first in/first out basis.

G-5 Accounting and Appropriation Data

ACRN: AA 9740400 1320 T465 P4E20 2525 DPAC 4 5495 S12136 62301E \$825,000.00

G-6 Payment Instructions for Multiple Accounting Classification Citations

Payments under contract line items funded by multiple accounting classification citations shall be made from the earliest available fiscal year funding sources. The earliest assigned ACRN must be fully disbursed before making disbursements from a succeeding ACRN.

G-7 Summary for the Payment Office

(a) Amount of funds obligated by prior contract actions: \$0

(b) Amount of funds obligated by the instant contract/modification: \$825,000

(c) Total cumulative amount of obligated funds: \$825,000

Section H: Special Contract Requirements

H-1 Contracting Officer

Notwithstanding any other provision of this contract, the Contracting Officer is the only individual authorized to redirect the effort or in any way amend or modify any of the terms of this contract. The Contracting Officer may be contacted by e-mail at dpollock@darpa.mil.

H-2 Contracting Officer's Representative (COR)

(a) Performance of work under this contract shall be subject to the technical direction of Mr. Dale Van Cleave, AFRL/IPSC, telephone: (937) 255-4709, X3167; e-mail: dale.vancleave@wpaf.af.mil. Such technical direction includes those instructions to the Contractor necessary to accomplish the Statement of Work.

(b) Technical direction shall not include any direction which:

- (1) Constitutes additional work outside the scope of work;
- (2) Constitutes a change as defined in the contract clause entitled "Changes";
- (3) In any manner causes an increase or decrease in the total estimated cost, the fixed fee, or the time required for contract performance; or
- (4) Changes any of the stated terms, conditions, or specifications of the contract.

H-3 Key Personnel

(a) The Contractor shall notify the Contracting Officer prior to making any change in key personnel. Key personnel are identified as follows:

- (1) Personnel identified in the proposal as key individuals to be assigned for participation in the performance of the contract;
- (2) Personnel whose resumes were submitted with the proposal, or
- (3) Individuals who are designated as key personnel by agreement of the Government and the Contractor during negotiations.

(b) The Contractor must demonstrate that the qualifications of the prospective personnel are equal to or better than the qualifications of the personnel being replaced. Notwithstanding any of the foregoing provisions, key personnel shall be furnished unless the Contractor has demonstrated to the satisfaction of the COR that the qualifications of the proposed substitute personnel are equal to or better than the qualifications of the personnel being replaced.

H-4 Restriction on Printing

Unless otherwise authorized in writing by the Contracting Officer, reports, data, or other written material produced using funds provided by this contract and submitted hereunder shall be reproduced only by duplicating processes and shall not exceed 5,000 single page reports or a total of 25,000 pages of a multiple-page report. These restrictions do not preclude the writing, editing, preparation of manuscript or reproducible copy of related illustrative

materials if required as part of this contract, or incidental printing such as forms or materials necessary to be used by the Contractor to respond to the terms of the contract.

H-5 Insurance Schedule

The Contractor shall maintain the types of insurance listed in FAR 28.307-2(a), (b) and (c), with the minimum amounts of liability indicated therein. The types of insurance and coverage listed in paragraphs (d) and (e) shall also be maintained when applicable.

H-6 Dissemination of Information

(a) There shall be no dissemination or publication, except within and between the Contractor and any subcontractors, of information developed under this contract or contained in the reports to be furnished pursuant to this contract without prior written approval of the COR. All technical reports will be given proper review by appropriate authority to determine which Distribution Statement is to be applied prior to the initial distribution of these reports by the Contractor. Papers resulting from unclassified contracted fundamental research are exempt from prepublication controls and this review requirement.

(b) When submitting material for clearance for open publication, the Contractor must furnish the DARPA Technical Information Officer (TIO) with five copies and allow four weeks for processing. Viewgraph presentations must be accompanied by a written text. Whenever a paper is to be presented at a meeting, the Contractor must indicate the exact dates of the meeting or the Contractor's date deadline for submitting the material.

H-7 Travel

(a) Costs for travel shall be allowable subject to the provisions of FAR 31.205-46.

(b) In connection with direct charge to the contract of travel-related expenses, the Contractor shall hold travel to the minimum required to meet the objectives of the contract. Substantial deviations from the amount of travel agreed to during contract negotiation shall not be made without the authorization of the Contracting Officer. When applicable, the Contractor shall notify the COR of proposed travel of an employee.

(c) Approval of the Contracting Officer shall be obtained in advance for attendance by personnel at training courses, seminars, and other meetings not directly related to contract performance.

(d) All foreign travel shall be authorized and approved in advance, in writing, by the Contracting Officer. Request for such travel must be submitted through the COR at least forty-five (45) days in advance of traveler's anticipated departure date, and shall include traveler's itinerary of United States Flag Air Carriers.

H-8 Consent to Subcontract

Pursuant to the clause of the General Provisions entitled "Subcontracts (AUG 1998)," FAR 52.244-02, and Alternate I (AUG 1998), consent from the Administrative Contracting Officer (ACO) must be obtained prior to the placement of any subcontracts, except for the following subcontracts evaluated during negotiations:

New York University -- \$332,844 (Phase 1); \$167,208 (Phase 2); \$167,208 (Phase 3)
Yann LeCun -- \$25,584 (Phase 1); \$12,792 (Phase 2); \$12,792 (Phase 3)

H-9 Metric System

(a) The Defense Advanced Research Projects Agency (DARPA) will consider the use of the metric system in all of its activities consistent with operation, economical, technical, and safety requirements.

(b) The metric system will be considered for use in all new designs. When it is deemed not to be in the best interest of the DoD to provide metric design, justification shall be provided.

(c) Physical and operation interfaces between metric items and U.S. customary items will be designed to assure that interchangeability and interoperability will not be adversely affected.

(d) Existing designs dimensioned in U.S. customary units will be converted to metric units only if determined to be necessary or advantageous. Unnecessary retrofit of existing systems with new metric components will be avoided where both the new metric and existing units are interchangeable and interoperable. Normally, the system of measurement in which an item is originally designed will be retained for the life of the item.

(e) During the metric transition phase hybrid metric and U.S. customary designs will be necessary and acceptable. Material components, parts, subassemblies, and semifabricated materials, which are of commercial design, will be specified in metric units only when economically available and technically adequate or when it is otherwise specifically determined to be in the best interest of the Department of Defense. Bulk materials will be specified and accepted in metric units when it is expedient or economical to do so.

(f) Technical reports, studies, and position papers (except those pertaining to items dimensioned in U.S. customary units) will include metric units of measurement in addition to or in lieu of U.S. customary units. With respect to existing contracts, this requirement applies only if such documentation can be obtained without an increase in contract costs.

(g) Use of the dual dimensions (i.e., both metric and U.S. customary dimensions) on drawings will be avoided unless it is determined in specific instances that such usage will be beneficial. However, the use of tables on the document to translate dimensions from one system of measurement to the other is acceptable.

H-10 Year 2000 Compliance

The Contractor agrees that any information technology (IT), acquired by the Government as a result of this contract, which will be required to perform date/time processing involving dates subsequent to December 31, 1999, either (1) is Year 2000 compliant as defined in FAR 39.002, or (2) will be upgraded to be Year 2000 compliant prior to the earlier of (a) the earliest date on which the IT may be required to perform date/time processing involving dates later than December 31, 1999, or (b) December 31, 1999.

H-11 Option for Additional Line Items

The options for CLINs 0003 through 0006 may be exercised at any time before expiration of the contract provided written notice is furnished to the Contractor of the Government's intention to exercise the options at least 30 days in advance.

H-12 Incremental Funding

This contract shall be subject to incremental funding with \$825,000 presently made available for performance under this contract. It is estimated that the funds presently available are sufficient to permit the Contractor's performance through January 31, 2006. Except in accordance with the Section I clause FAR 52.232-22, "Limitation of Funds," no legal liability on the part of the Government for payment of any money in excess of \$825,000 shall arise unless and until additional funds are made available by the Contracting Officer through an amendment to this contract.

H-13 Precontract Costs

The extent of allowability of costs incurred by the Contractor prior to the effective date of the contract shall be governed by the advance agreement listed in Section J as Attachment 1.

H-14 Contractor Acquired Property (IT)

(a) Performance of this contract will require use of two APRO 4U Quad Opteron SCSI Servers, acquisition of which (or equivalents) will be authorized by separate notification subsequent to contract award.

(b) The costs incurred by the Contractor in acquiring the IT resources listed in paragraph (a) above shall be considered allowable costs under the contract provided that the total net amount of the IT resources does not exceed \$18,850. The Contractor shall have no obligation to acquire IT resources and the Government shall have no obligation to reimburse any amount for IT resources in excess of the amount set forth above unless the contract is amended to increase this amount.

(c) The IT resources listed above shall be considered Government Property and shall be subject to the provisions of FAR 52.245-05, incorporated by reference in Section I.

(d) The Contractor shall not use Contractor acquired property listed above for work other than that performed pursuant to this contract unless so authorized in writing by the Contracting Officer.

(e) This authorization is subject to the Contractor's compliance with the approvals and screening requirements set forth in DFARS Subpart 239.73 and DoD 7950.1-M, "Defense Automation Resources Management Manual."

(i) Use of the DD Form 1851 for determining availability of excess Automation Equipment (AE) is only required for AE with a unit acquisition cost of \$50,000 and above.

(ii) On-line screening for excess AE, regardless of cost, via remote terminal dial-up, is available to contractors through their Administrative Contracting Officers.

Section I Contract Clauses

(a) FAR 52.252-02 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

<http://www.arnet.gov/far/>

I. FEDERAL ACQUISITION REGULATION (FAR) (48 CFR CHAPTER 1) CLAUSES:

FAR 52.202-01	Definitions (JUL 2004)
FAR 52.203-03	Gratuities (APR 1984)
FAR 52.203-05	Covenant Against Contingent Fees (APR 1984)
FAR 52.203-06	Restrictions on Subcontractor Sales to the Government (JUL 1995)
FAR 52.203-07	Anti-Kickback Procedures (JUL 1995)
FAR 52.203-08	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (JAN 1997)
FAR 52.203-10	Price or Fee Adjustment for Illegal or Improper Activity (JAN 1997)
FAR 52.203-12	Limitation on Payments to Influence Certain Federal Transactions (JUNE 2003)
FAR 52.204-04	Printed or Copied Double-Sided on Recycled Paper (AUG 2000)
FAR 52.204-07	Central Contractor Registration (OCT 2003), as modified by DFARS 252.204-7004 Alternate A (NOV 2003)
FAR 52.209-06	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (JUL 1995)

FAR 52.211-05	Material Requirements (AUG 2000)
FAR 52.211-15	Defense Priority and Allocation Requirements (SEP 1990)
FAR 52.215-02	Audit and Records—Negotiation (JUN 1999) [with Alternate II (APR 1998) for cost reimbursement contracts with educational institutions and other nonprofit organizations]
FAR 52.215-08	Order of Precedence—Uniform Contract Format (OCT 1997)
FAR 52.215-10	Price Reduction for Defective Cost or Pricing Data (OCT 1997)
FAR 52.215-12	Subcontractor Cost or Pricing Data (OCT 1997)
FAR 52.215-15	Pension Adjustments and Asset Reversions (OCT 2004)
FAR 52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions (OCT 1997)
FAR 52.215-21	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data – Modifications (OCT 1997)
FAR 52.216-07	Allowable Cost and Payment (DEC 2002)
FAR 52.216-08	Fixed Fee (MAR 1997)
FAR 52.219-08	Utilization of Small Business Concerns (MAY 2004)
FAR 52.222-01	Notice to the Government of Labor Disputes (FEB 1997)
FAR 52.222-02	Payment for Overtime Premiums (JUL 1990) (Note: The word “zero” is inserted in the blank spaces indicated by an asterisk)
FAR 52.222-03	Convict Labor (JUN 2003)
FAR 52.222-04	Contract Work Hours and Safety Standards Act - Overtime Compensation (SEP 2000)
FAR 52.222-19	Child Labor – Cooperating with Authorities and Remedies (JUN 2004)
FAR 52.222-21	Prohibition of Segregated Facilities (FEB 1999)
FAR 52.222-26	Equal Opportunity (APR 2002)
FAR 52.222-35	Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001)
FAR 52.222-36	Affirmative Action for Workers with Disabilities (JUN 1998)
FAR 52.222-37	Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001)
FAR 52.222-38	Compliance with Veterans' Employment Reporting Requirements (DEC 2001)
FAR 52.223-06	Drug-Free Workplace (MAY 2001)
FAR 52.223-14	Toxic Chemical Release Reporting (AUG 2003)
FAR 52.225-08	Duty-Free Entry (FEB 2000)
FAR 52.225-13	Restrictions on Certain Foreign Purchases (DEC 2003)
FAR 52.227-01	Authorization and Consent (JUL 1995) and Alternate I (APR 1984)
FAR 52.227-02	Notice and Assistance Regarding Patent and Copyright Infringement (AUG 1996)
FAR 52.228-07	Insurance—Liability to Third Persons (MAR 1996)
FAR 52.232-09	Limitation on Withholding of Payments (APR 1984)
FAR 52.232-17	Interest (JUN 1996)
FAR 52.232-23	Assignment of Claims (JAN 1986)
FAR 52.232-25	Prompt Payment (OCT 2003) <i>and Alternate I (FEB 2002) if contract is for services</i>
FAR 52.232-33	Payment by Electronic Funds Transfer – Central Contractor Registration (OCT 2003)
FAR 52.233-01	Disputes (JUL 2002)
FAR 52.233-03	Protest After Award (AUG 1996) and Alternate I (JUN 1985)
FAR 52.233-04	Applicable Law for Breach of Contract Claim (OCT 2004)
FAR 52.242-01	Notice of Intent to Disallow Costs (APR 1984)
FAR 52.242-04	Certification of Final Indirect Costs (JAN 1997)
FAR 52.242-13	Bankruptcy (JUL 1995)
FAR 52.242-15	Stop-Work Order (AUG 1989) and Alternate I (APR 1984)
FAR 52.243-02	Changes -- Cost-Reimbursement (AUG 1987) and Alternate V (APR 1984)
FAR 52.244-02	Subcontracts (AUG 1998) and Alternate I (AUG 1998)

FAR 52.244-05	Competition in Subcontracting (DEC 1996)
FAR 52.244-06	Subcontracts for Commercial Items (JUL 2004)
FAR 52.245-05	Government Property (Cost-Reimbursement, Time-and-Material or Labor-Hour Contracts) (MAY 2004)(DEV) and Alternate I (JUN 2003) if contractor is educational or nonprofit institution
FAR 52.245-19	Government Property Furnished "As Is" (APR 1984)
FAR 52.246-09	Inspection of Research and Development (Short Form) (APR 1984)
FAR 52.246-23	Limitation of Liability (FEB 1997)
FAR 52.247-01	Commercial Bill of Lading Notations (APR 1984)
FAR 52.247-63	Preference for U.S.-Flag Air Carriers (JUN 2003)
FAR 52.249-06	Termination (Cost-Reimbursement) (MAY 2004)
FAR 52.249-14	Excusable Delays (APR 1984)
FAR 52.251-01	Government Supply Sources (APR 1984)
FAR 52.253-01	Computer Generated Forms (JAN 1991)

II. DEPARTMENT OF DEFENSE FAR SUPPLEMENT (DFARS) (48 CFR CHAPTER 2) CLAUSES:

DFARS 252.201-7000	Contracting Officer's Representative (DEC 1991)
DFARS 252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies (MAR 1999)
DFARS 252.204-7003	Control of Government Personnel Work Product (APR 1992)
DFARS 252.204-7004	Required Central Contractor Registration Alt. A (NOV 2003)
DFARS 252.215-7000	Pricing Adjustments (DEC 1991)
DFARS 252.223-7004	Drug-Free Work Force (SEP 1988)
DFARS 252.225-7012	Preference for Certain Domestic Commodities (JUN 2004)
DFARS 252.227-7013	Rights in Technical Data - Noncommercial Items (NOV 1995)
DFARS 252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (JUN 1995)
DFARS 252.227-7016	Rights in Bid or Proposal Information (JUN 1995)
DFARS 252.227-7017	Identification and Assertion of Use, Release, or Disclosure Restrictions (JUN 1995)
DFARS 252.227-7019	Validation of Asserted Restrictions--Computer Software (JUN 1995)
DFARS 252.227-7027	Deferred Ordering of Technical Data or Computer Software (APR 1988)
DFARS 252.227-7030	Technical Data - Withholding of Payment (MAR 2000)
DFARS 252.227-7037	Validation of Restrictive Markings on Technical Data (SEP 1999)
DFARS 252.231-7000	Supplemental Cost Principles (DEC 1991)
DFARS 252.232-7003	Electronic Submission of Payment Requests (JAN 2004)
DFARS 252.235-7010	Acknowledgment of Support and Disclaimer (MAY 1995)
DFARS 252.235-7011	Final Scientific or Technical Report (NOV 2004)
DFARS 252.242-7000	Postaward Conference (DEC 1991)
DFARS 252.243-7002	Requests for Equitable Adjustment (MAR 1998)
DFARS 252.244-7000	Subcontracts for Commercial Items and Commercial Components (DoD Contracts) (MAR 2000)
DFARS 252.245-7001	Reports of Government Property (MAY 1994)
DFARS 252.247-7023	Transportation of Supplies by Sea (MAY 2002)
DFARS 252.251-7000	Ordering from Government Supply Sources (NOV 2004)

(b) ADDITIONAL FAR AND DFARS CLAUSES

This contract incorporates one or more of the following checked clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

___ FAR 52.204-02 Security Requirements (AUG 1996) (Applicable if contract will generate or require

access to classified information and DD Form 254, Contract Security Classification Specification, is issued to the Contractor) – include Alternate I (APR 1984) if R&D cost contract with educational institution

- ☒ FAR 52.215-14 Integrity of Unit Prices (OCT 1997) and Alternate I (OCT 1997) (Applicable when contracting without adequate price competition)
- ☐ FAR 52.215-16 Facilities Capital Cost of Money (June 2003)
- or
- ☒ FAR 52.215-17 Waiver of Facilities Capital Cost of Money (OCT 1997) (Applicable if FAR clause 52.215-16 does not apply)
- ☐ FAR 52.216-11 Cost Contract—No Fee (APR 1984)
- ☐ FAR 52.216-12 Cost-Sharing Contract—No Fee (APR 1984)
- ☐ FAR 52.216-26 Payments of Allowable Costs before Definitization (DEC 2002)
- ☐ FAR 52.217-05 Evaluation of Options (JUL 1990)
- ☒ FAR 52.217-07 Option for Increased Quantity – Separately Priced Line Item (MAR 1989)
- ☐ FAR 52.219-09 Small Business Subcontracting Plan (JAN 2002) (Applicable to contract that (i) offers subcontracting possibilities, (ii) is expected to exceed \$500,000, and (iii) is required to include FAR 52.219-8 unless set-aside or 8(a) program. Does not apply to small business concerns)
- ☐ FAR 52.219-16 Liquidated Damages - Subcontracting Plan (JAN 1999) (Applicable if contract is subject to FAR 52.219-09)
- ☐ FAR 52.222-24 Preaward On-Site Equal Opportunity Compliance Evaluation (FEB 1999) (Applicable if contract includes FAR 52.222-26 and is expected to be \$10 million or more)
- ☐ FAR 52.223-05 Pollution Prevention and Right-to-Know Information (AUG 2003) (Applicable where performance on Federal facility is involved)
- ☒ FAR 52.223-14 Toxic Chemical Release Reporting (OCT 2000) (Applicable to contracts expected to exceed \$100,000 including all options)
- ☐ FAR 52.226-01 Utilization of Indian Organizations and Indian-Owned Economic Enterprises (JUN 2000) (Applicable if FAR 52.219-09 is checked)
- ☐ FAR 52.227-10 Filing of Patent Applications - Classified Subject Matter (APR 1984) (Applicable if contract is subject to FAR clauses 52.204-02 and either FAR 52.227-11 or FAR 52.227-12)
- ☒ FAR 52.227-11 Patent Rights - Retention by the Contractor (Short Form) (JUN 1997) (Applicable if contractor is a small business or nonprofit organization)

This clause is modified to contain the following subparagraph:

(f)(5) - The Contractor shall furnish the Administrative Contracting Officer the following:

- (i) interim reports every 12 months (or such longer period as may be specified by the Contracting Officer) from the date of the contract, listing subject inventions during that period and certifying that all subject inventions have been disclosed or that there are no such inventions.
- (ii) a final report, within 3 months after completion of the contracted work listing subject inventions or certifying that there were no such inventions and listing all subcontracts at any tier containing a patent rights clause or certifying that there were no such subcontracts.
- (iii) upon request, the filing date, serial number, title, and a copy of the patent application, and patent number and issue date for any subject invention in any country in which the contractor has applied for patents.
- (iv) an irrevocable power to inspect and make copies of the patent application file covering any subject invention.

or

- ☐ FAR 52.227-12 Patent Rights - Retention by the Contractor (Long Form) (JAN 1997) (Applicable if contractor is a large business)
- ☐ FAR 52.230-02 Cost Accounting Standards (APR 1998) (Applicable unless contract is exempted (see 48 CFR 9903.201-1 (FAR Appendix)), or contract is subject to modified coverage (see 48 CFR 9903.201-2 (FAR Appendix)))
- ☐ FAR 52.230-03 Disclosure and Consistency of Cost Accounting Practices (APR 1998) (Applicable to contract over \$500,000 but less than \$25 million, and offeror certifies eligibility for, and elects to use, modified CAS coverage (see 48 CFR 9903.201-2 (FAR Appendix)))
- ☐ FAR 52.230-05 Cost Accounting Standards - Educational Institution (APR 1998)
- ☐ FAR 52.230-06 Administration of Cost Accounting Standards (NOV 1999) (Applicable to contract which includes FAR 52.230-2, FAR 52.230-3, or FAR 52.230-5)
- ☐ FAR 52.232-20 Limitation of Cost (APR 1984) (Applicable only when contract action is fully funded)
- or
- ☒ FAR 52.232-22 Limitation of Funds (APR 1984) (Applicable only when contract action is incrementally funded)
- ☐ FAR 52.237-02 Protection of Government Buildings, Equipment, and Vegetation (APR 1984)
- ☐ FAR 52.237-10 Identification of Uncompensated Overtime (OCT 1997)
- ☐ FAR 52.239-01 Privacy or Security Safeguards (AUG 1996)
- ☒ FAR 52.242-03 Penalties for Unallowable Costs (MAY 2001)
- ☐ FAR 52.245-18 Special Test Equipment (FEB 1993)
- ☐ FAR 52.246-08 Inspection of Research and Development—Cost-Reimbursement (MAY 2001) (Applicable when primary objective is the delivery of end items other than designs, drawings, or reports) (If checked, FAR 52.246-09 is not applicable)
- ☐ FAR 52.246-08 Inspection of Research and Development—Cost-Reimbursement (MAY 2001) and Alternate I (APR 1984) (Applicable when primary objective is the delivery of end items other than designs, drawings, or reports and contract awarded on a no-fee basis) (If checked, FAR 52.246-09 is not applicable)

<input type="checkbox"/> FAR 52.246-11	Higher-Level Contract Quality Requirement (FEB 1999) (Applicable to contract when the inclusion of a higher-level contract quality requirement is appropriate (see 46.202-4))
<input type="checkbox"/> DFARS 252.203-7002	Display of DoD Hotline Poster (DEC 1991) (Applicable to contract exceeding \$5,000,000 except when performance will take place in a foreign country)
<input type="checkbox"/> DFARS 252.204-7000	Disclosure of Information (DEC 1991) (Applicable to unclassified contract)
<input type="checkbox"/> DFARS 252.204-7005	Oral Attestation of Security Responsibilities (AUG 1999) (Applicable if contract will generate or require access to classified information and DD Form 254, Contract Security Classification Specification, is issued to the Contractor)
<input checked="" type="checkbox"/> DFARS 252.205-7000	Provision of Information to Cooperative Agreement Holders (DEC 1991) (Applicable to contract expected to exceed \$500,000)
<input type="checkbox"/> DFARS 252.209-7002	Disclosure of Ownership or Control by a Foreign Government (SEP 1994)
<input checked="" type="checkbox"/> DFARS 252.209-7004	Subcontracting with Firms that are Owned or Controlled by the Government of a Terrorist Country (MAR 1998) (Applicable to contract with a value of \$100,000 or more)
<input type="checkbox"/> DFARS 252.211-7003	Item Identification and Valuation (JAN 2004) (Applicable to contract requiring the delivery of one or more "items," defined as a single hardware article or unit formed by a grouping of subassemblies, components, or constituent parts)
<input checked="" type="checkbox"/> DFARS 252.215-7002	Cost Estimating System Requirements (OCT 1998) (Applicable to contract awarded on basis of certified cost or pricing data)
<input type="checkbox"/> DFARS 252.219-7003	Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (DoD Contracts) (APR 1996) (Applicable if FAR 52.219-9 is checked)
<input type="checkbox"/> DFARS 252.219-7004	Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (Test Program) (JUN 1997)
<input type="checkbox"/> DFARS 252.222-7001	Right of First Refusal of Employment -- Closure of Military Installations (APR 1993)
<input type="checkbox"/> DFARS 252.223-7006	Prohibition on Storage and Disposal of Toxic and Hazardous Materials (APR 1993) (Applicable to contract which requires, may require, or permit contractor performance on a DoD installation)
<input type="checkbox"/> DFARS 252.225-7001	Buy American Act and Balance of Payments Program (APR 2003) (Applicable to contract for supplies or services that requires the furnishing of supplies)
<input type="checkbox"/> DFARS 252.225-7002	Qualifying Country Sources as Subcontractors (APR 2003) (Applicable if DFARS 252.225-7001 is checked)
<input checked="" type="checkbox"/> DFARS 252.225-7004	Reporting of Contract Performance Outside the United States (APR 2003) (Applicable if contract value >\$500,000)
<input type="checkbox"/> DFARS 252.225-7009	Reserved.
<input type="checkbox"/> DFARS 252.225-7010	Reserved.

<input type="checkbox"/> DFARS 252.225-7016	Restriction on Acquisition of Ball and Roller Bearings (MAY 2004) (Applicable to contract unless (a) the restrictions in 225.7019-1 do not apply or a waiver has been granted; or (b) where the Contracting Officer knows the items being acquired do not contain ball or bearings)
<input type="checkbox"/> DFARS 252.225-7025	Restriction on Acquisition of Forgings (APR 2003) (Applicable to contract unless (a) excepted in 225.7102-2; or (b) where the Contracting Officer knows that the supplies being acquired do not contain forgings)
<input type="checkbox"/> DFARS 252.225-7026	Reserved.
<input type="checkbox"/> DFARS 252.225-7041	Correspondence in English (JUN 1997) (Applicable when contract performance will be wholly or in part in a foreign country)
<input type="checkbox"/> DFARS 252.225-7042	Authorization to Perform (APR 2003) (Applicable when contract performance will be wholly or in part in a foreign country)
<input type="checkbox"/> DFARS 252.225-7043	Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States (JUN 1998) (Applicable to contract that requires performance or travel outside the United States except for contracts with foreign governments, representatives of a foreign government or foreign corporations wholly owned by foreign governments)
<input type="checkbox"/> DFARS 252.226-7001	Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns (SEP 2004) (Applicable for supplies and services >\$500,000 where subcontracting opportunities may exist)
<input type="checkbox"/> DFARS 252.227-7015	Technical Data—Commercial Items (NOV 1995) (Applicable when Contractor will be required to deliver technical data pertaining to commercial items, components, or processes)
<input type="checkbox"/> DFARS 252.227-7018	Rights in Noncommercial Technical Data and Computer Software – Small Business Innovation Research (SBIR) Program (JUN 1995)
<input type="checkbox"/> DFARS 252.227-7025	Limitations on the Use or Disclosure of Government Furnished Information Marked with Restrictive Legends (JUN 1995)
<input type="checkbox"/> DFARS 252.227-7028	Technical Data or Computer Software Previously Delivered to the Government (JUN 1995)
<input checked="" type="checkbox"/> DFARS 252.227-7034	Patents - Subcontracts (APR 1984) (Applicable if FAR 52.227-11 is checked)
<input checked="" type="checkbox"/> DFARS 252.227-7039	Patents - Reporting of Subject Inventions (APR 1990) (Applicable if FAR 52.227-11 is checked)
<input type="checkbox"/> DFARS 252.242-7004	Material Management and Accounting System (DEC 2000)(Not applicable to cost-reimbursement contracts with small businesses, educational institutions, or nonprofit organizations)
<input checked="" type="checkbox"/> DFARS 252.246-7000	Material Inspection and Receiving Report (MAR 2003) (Applicable when there will be separate and distinct deliverables unless not required under DFARS 246.370(b))

X DFARS 252.247-7024 Notification of Transportation of Supplies by Sea (MAR 2000) (Applicable only if Contractor has represented that it will not use ocean transportation)

(c) The following attached clauses are also applicable to this contract. Expedited implementation of these clauses has been authorized by the Defense Acquisition Regulatory Council. The clauses and their prescriptions for use will be published in forthcoming Federal/Defense Acquisition Circulars: N/A

(d) The following attached clauses, set out in full text, are also applicable to this contract:

1. FAR 52.215-19 Notification of Ownership Changes (OCT 1997) (Applicable if cost or pricing data is required or if any preaward or postaward cost determination will be subject to Subpart 31.2)

(a) The Contractor shall make the following notifications in writing:

(1) When the Contractor becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify the Administrative Contracting Officer (ACO) within 30 days.

(2) The Contractor shall also notify the ACO within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.

(b) The Contractor shall—

(1) Maintain current, accurate, and complete inventory records of assets and their costs;

(2) Provide the ACO or designated representative ready access to the records upon request;

(3) Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership changes;

(4) Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership change.

(c) The Contractor shall include the substance of this clause in all subcontracts under this contract that meet the applicability requirement of FAR 15.408(k).

2. FAR 52.247-67 Submission of Commercial Transportation Bills to the General Services Administration for Audit (JUN 1997) (Applicable when contract or first-tier subcontract will authorize reimbursement of transportation as a direct charge to the contract or subcontract)

(a)(1) In accordance with paragraph (a)(2) of this clause, the Contractor shall submit to the General Services Administration (GSA) for audit, legible copies of all paid freight bills/invoices, commercial bills of lading (CBL's), passenger coupons, and other supporting documents for transportation services on which the United States will assume freight charges that were paid—

(i) By the Contractor under a cost-reimbursement contract; and

(ii) By a first-tier subcontractor under a cost-reimbursement subcontract thereunder.

(2) Cost-reimbursement Contractors shall only submit for audit those CBL's with freight shipment charges exceeding \$50.00. Bills under \$50.00 shall be retained on-site by the Contractor and made available for GSA on-site audits. This exception only applies to freight shipment bills and is not intended to apply to bills and invoices for any other transportation services.

(b) The Contract shall forward copies of paid freight bills/invoices, CBL's, passenger coupons, and supporting documents as soon as possible following the end of the month, in one package to the:

General Services Administration
Attn: FWA
1800 F Street, NW
Washington, D.C. 20405

The Contractor shall include the paid freight bills/invoices, CBL's, passenger coupons, and supporting documents for first-tier subcontractors under a cost-reimbursement contract. If the inclusion of the paid freight bills/invoices, CBL's, passenger coupons, and supporting documents for any subcontractor in the shipment is not practicable, the documents may be forwarded to GSA in a separate package.

(c) Any original transportation bills or other documents requested by GSA shall be forwarded promptly by the Contractor to GSA. The Contractor shall ensure that the name of the contracting agency is stamped or written on the face of the bill before sending it to GSA.

(d) A statement prepared in duplicate by the Contractor shall accompany each shipment of transportation documents. GSA will acknowledge receipt of the shipment by signing and returning the copy of the statement. The statement shall show—

- (1) The name and address of the Contractor;
- (2) The contract number including any alpha-numeric prefix identifying the contracting office;
- (3) The name and address of the contracting office;
- (4) The total number of bills submitted with the statement; and
- (5) A listing of the respective amounts paid or, in lieu of such listing, an adding machine tape of the amounts paid showing the Contractor's voucher or check numbers.

3. FAR 52.252-6 Authorized Deviations in Clauses (APR 1984)

- (a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause.
- (b) The use in this solicitation or contract of any N/A (48 CFR N/A) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

Section J List of Attachments

Attachment 1: Advance Agreement to Authorize Incurrence of Precontract Costs (2 pages)

Section K Representations, Certifications, and other Statements by Offerors or Quoters

THE SECTION K REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS, AS COMPLETED BY THE CONTRACTOR AND RETAINED IN THE CONTRACT FILE, ARE HEREBY INCORPORATED BY REFERENCE.



DEFENSE ADVANCED RESEARCH PROJECTS AGENCY
3701 NORTH FAIRFAX DRIVE
ARLINGTON, VA 22203-1714

ATTACHMENT 1

ADVANCE AGREEMENT TO AUTHORIZE INCURRENCE OF PRECONTRACT COSTS
UNDER CONTRACT NO. HR0011-05-C-0038

The DARPA Contracts Management Office has received a valid and properly funded requirement (ARPA Order T465/00) for a research effort in support of DARPA/IPTO's Learning Applied to Ground Robots Program.

The proposed contractor, Net-Scale Technologies, Inc., has submitted a proposal, entitled "Energy Based Models for End-to-End Learning of Ground Vehicle Navigation," in response to DARPA/IPTO's Broad Agency Announcement No. 04-25 to provide the required support.

Whereas the Contracting Officer has determined that incurrence of costs prior to the effective date of the contract is necessary to ensure compliance with the proposed contract delivery schedule, the Government and the Contractor, pursuant to the requirements of FAR 31.109 and 10 USC 2326, agree as follows:

FIRST: In the event that a contract is awarded, precontract costs, not to exceed \$220,000, shall be an allowable expense, provided that the individual costs therein shall be --

- (a) otherwise allowable, reasonable and allocable,
- (b) incurred no sooner than December 1, 2004, or after March 31, 2005, and
- (c) incurred specifically for labor, travel to the kickoff meeting, and computer resources needed to develop algorithms in order to accomplish work described in the proposal referenced above.

SECOND: Contractual terms, specifications and price shall be agreed to by the earlier of --

- (a) the end of the 180-day period beginning on the date on which the Contractor submits a qualifying proposal to definitize the contractual terms, specifications and price; or
- (b) the date on which the amount of funds obligated or expended under this advance agreement is equal to more than 50% of the negotiated overall ceiling price for this advance agreement.

THIRD AND LAST: It is the intention of the Government to award subject contract to the proposed Contractor subject to final agreement as to contractual terms, specifications and price, and to incorporate this agreement therein. It is understood and agreed by both parties that this agreement deals with the treatment of precontract costs in the event of contract award. This agreement does not require the Contractor to incur such costs and any costs incurred are at the risk of the proposed Contractor pending execution of a definitive contract (including specific approval for acquisition of information technology resources).

For Net-Scale Technologies, Inc.:

11/24/04
DATE

Mrs. Miller
(Signature)

TITLE: **CEO**

For the Government:

NOV 24 2004
DATE

(b)(6)
Contracting Officer

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE U		PAGE OF PAGES 1 3	
2. AMENDMENT/MODIFICATION NO. P00001		3. EFFECTIVE DATE APR 13 2005		4. REQUISITION/PURCHASE REQ. NO. T465/03		5. PROJECT NO. (if applicable)	
6. ISSUED BY DARPA CMO ATTN: DOUGLAS M. POLLOCK 3701 NORTH FAIRFAX DRIVE ARLINGTON VA 22203-1714		CODE HR0011		7. ADMINISTERED BY (if other than item 6) DCMA SPRINGFIELD BLDG. 1, ARDEC PICATINNY NJ 07806-5000		CODE S3101A	
8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code) NET-SCALE TECHNOLOGIES INC 281 STATE HWY 79 MORGANVILLE NJ 07751-1157				9A. AMENDMENT OF SOLICITATION NO.			
				9B. DATED (SEE ITEM 11)			
				X 10A. MOD. OF CONTRACT/ORDER NO. HR0011-05-C-0038			
				X 10B. DATED (SEE ITEM 13) 26-Jan-2005			
CODE 3DA51		FACILITY CODE					
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS							
<input type="checkbox"/> The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offer <input type="checkbox"/> is extended, <input type="checkbox"/> is not extended. Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods: (a) By completing items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.							
12. ACCOUNTING AND APPROPRIATION DATA (If required) See Schedule							
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.							
X A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A. FAR 52.243-2							
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(B).							
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:							
D. OTHER (Specify type of modification and authority)							
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> is required to sign this document and return 2 copies to the issuing office.							
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) Modification Control Number: kespos#05552 SEE PAGE 2							
Except as provided herein, all terms and conditions of the document referenced in item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.							
15A. NAME AND TITLE OF SIGNER (Type or print) Vrs Muller, CEO				(b)(6)			
				OFFICER (Type or print) dpollock@darpa.mil			
15B. CONTRACTOR/OFFEROR [Signature] (Signature of person authorized to sign)		15C. DATE SIGNED 04/15/2005		(b)(6)		16C. DATE SIGNED APR 13 2005	

EXCEPTION TO SF 30
APPROVED BY OIRM 11.84

30-105-04

STANDARD FORM 30 (Rev. 10-83)

DUPLICATE ORIGINAL

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

SUMMARY OF CHANGES

FIRST: The total contract amount set forth in block #15G on page one of the contract is increased by \$43,039 from \$988,044 to \$1,031,083.

SECOND: Section B is amended to revise CLIN 0001 to read as follows:

Item No.	Supplies/Services	Estimated Cost	Fixed Fee	Total Est. Cost Plus Fixed Fee
0001	Energy Based Models for End-to-End Learning of Ground Vehicle Navigation – Phase 1 Purchase Request Number T465/00, T465/03 ACRN AA Funded Amount: \$868,039	(b)(4)		\$1,031,083

This results in the following revised amounts for "TOTAL CONTRACT CONSIDERATION:"

(b)(4) \$1,031,083

THIRD: Paragraph (a) of Article C-1 is amended to incorporate a change in specifications in accordance with the Contractor's "proposal for adjustment" entitled "LAGR Vehicle Beta Testing," dated January 24, 2005.

FOURTH: The term of contract set forth in Article F-1 incorporates a period of performance for this change order (P00001) ending June 30, 2005.

FIFTH: Paragraph (c) of Article F-3 is changed to read as follows:

- (c) Defense Technical Information Center (DTIC)
ATTN: DTIC-O
8725 John J. Kingman Road
Ft. Belvoir, VA 22060-6218
(Two copies of each technical report)

[NOTE: For submission of reports in other than paper copy, contact DTIC or follow the instructions at <http://www.dtic.mil>]

SIXTH: Article G-5 is amended to increase ACRN AA by \$43,039, as follows:

ACRN: AA 9740400 1320 T465 P4E20 2525 DPAC 4 5495 S12136 62301E \$43,039 INCREASE
[ARPA Order No. T465/03]

SEVENTH: Article G-7 is changed to read as follows:

G-7 Summary for the Payment Office

- (a) Amount of funds obligated by prior contract actions: \$825,000
(b) Amount of funds obligated by the instant modification: \$43,039
(c) Total cumulative amount of obligated funds: \$868,039

EIGHTH: The e-mail address for the COR set forth in Article H-2 is changed to read as follows:

Dale.VanCleave@wpafb.af.mil

NINTH: The Phase 1 amount for Yann LeCun set forth in Article H-8 is increased by \$3,936 from \$25,584 to \$29,520.

TENTH: Article H-12, "Incremental Funding," is changed to read as follows:

H-12 Incremental Funding

This contract shall be subject to incremental funding with \$868,039 presently made available for performance under this contract. It is estimated that the funds presently available are sufficient to permit the Contractor's performance through January 31, 2006. Except in accordance with the Section I clause FAR 52.232-22, "Limitation of Funds," no legal liability on the part of the Government for payment of any money in excess of \$868,039 shall arise unless and until additional funds are made available by the Contracting Officer through an amendment to this contract.

ELEVENTH: Article H-14 is changed to read as follows:

H-14 Contractor Acquired Property (IT)

(a) Performance of this contract will require use of the following information technology (IT), acquisition of which (or equivalents) is hereby authorized: two APRO 4U Quad Opteron SCSI Servers and one IBM R51 Laptop Computer with Windows XP.

(b) The costs incurred by the Contractor in acquiring the IT resources listed in paragraph (a) above shall be considered allowable costs under the contract provided that the total net amount of the IT resources does not exceed \$20,650. The Contractor shall have no obligation to acquire IT resources and the Government shall have no obligation to reimburse any amount for IT resources in excess of the amount set forth above unless the contract is amended to increase this amount.

(c) The IT resources listed above shall be considered Government Property and shall be subject to the provisions of FAR 52.245-05, incorporated by reference in Section I.

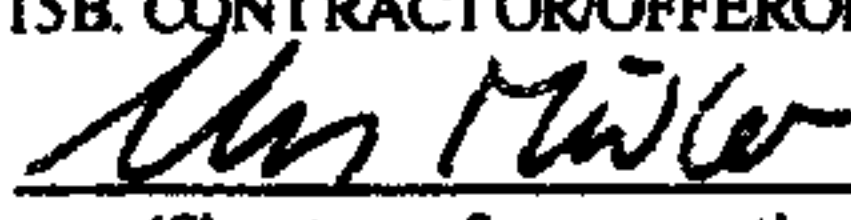
(d) The Contractor shall not use Contractor acquired property listed above for work other than that performed pursuant to this contract unless so authorized in writing by the Contracting Officer.

(e) This authorization is subject to the Contractor's compliance with the approvals and screening requirements set forth in DFARS Subpart 239.73 and DoD 7950.1-M, "Defense Automation Resources Management Manual."

(i) Use of the DD Form 1851 for determining availability of excess Automation Equipment (AE) is only required for AE with a unit acquisition cost of \$50,000 and above.

(ii) On-line screening for excess AE, regardless of cost, via remote terminal dial-up, is available to contractors through their Administrative Contracting Officers.

TWELFTH AND LAST: In consideration of the modifications agreed to herein as complete equitable adjustments for the Contractor's "proposal for adjustment," dated January 24, 2005, the Contractor hereby releases the Government from any and all liability under this contract for further equitable adjustments attributable to such facts or circumstances giving rise to the "proposal for adjustment."

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE U		PAGE OF PAGES 1 3	
2. AMENDMENT/MODIFICATION NO. P00002		3. EFFECTIVE DATE 29 NOV 2005		4. REQUISITION/PURCHASE REQ. NO. SEE SCHEDULE		5. PROJECT NO. (If applicable)	
6. ISSUED BY DARPA CMO ATTN: DOUGLAS M. POLLOCK 3701 NORTH FAIRFAX DRIVE ARLINGTON VA 22203-1714		CODE HR0011		7. ADMINISTERED BY (If other than item 6) DCMA SPRINGFIELD BLDG. 1, ARDEC PICATINNY NJ 07806-5000		CODE S3101A	
8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code) NET-SCALE TECHNOLOGIES INC 281 STATE HWY 79 MORGANVILLE NJ 07751-1157				9A. AMENDMENT OF SOLICITATION NO.			
				9B. DATED (SEE ITEM 11)			
				X 10A. MOD. OF CONTRACT/ORDER NO. HR0011-05-C-0038			
				X 10B. DATED (SEE ITEM 13) 28-Jan-2005			
CODE 3DA51		FACILITY CODE					
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS							
<input type="checkbox"/> The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offer <input type="checkbox"/> is extended, <input type="checkbox"/> is not extended. Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods: (a) By completing items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.							
12. ACCOUNTING AND APPROPRIATION DATA (If required) See Schedule							
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.							
X A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.							
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(B).							
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:							
D. OTHER (Specify type of modification and authority)							
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> is required to sign this document and return <u>2</u> copies to the issuing office.							
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) Modification Control Number: tgross06120 See Page 2							
Except as provided herein, all terms and conditions of the document referenced in item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.							
15A. NAME AND TITLE OF SIGNER (Type or print) URS MULLER, CEO				15B. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) (b)(6) douglas.pollock@ darpa.mil			
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)		15C. DATE SIGNED 11/28/2005		(b)(6)		16C. DATE SIGNED 29 NOV 2005	

EXCEPTION TO SF 30
APPROVED BY OPRM 11.24

30-105-04

STANDARD FORM 30 (Rev. 10-83)

DUPLICATE ORIGINAL

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

SUMMARY OF CHANGES

CONTRACT NO. HR0011-05-C-0038/MOD P00002

Page 2 of 3

This change order directs changes in specifications within the general scope of the contract, as detailed below, and incorporates the resulting equitable adjustments in contract terms.

FIRST: The total contract amount set forth in block #15G on page one of the contract is increased by \$90,000 from \$1,031,083 to \$1,121,083.

SECOND: Section B is amended to revise CLIN 0001 to read as follows:

<u>Item No.</u>	<u>Supplies/Services</u>	<u>Estimated Cost</u>	<u>Fixed Fee</u>	<u>Total Est. Cost Plus Fixed Fee</u>
0001	Energy Based Models for End-to-End Learning of Ground Vehicle Navigation -- Phase 1 Purchase Request Number T465/00/03/05 ACRN AA Funded Amount: \$868,039 ACRN AB Funded Amount: \$ 90,000	(b)(4)		\$1,121,083

This results in the following revised amounts for
"TOTAL CONTRACT CONSIDERATION:"

(b)(4) \$1,121,083

THIRD: Paragraph (a) of Article C-1 is amended to incorporate a change in specifications in accordance with the Contractor's "proposal for adjustment" entitled "Machine Learning Architectures for Low-Complexity Visual Odometry," dated November 8, 2005.

FOURTH: The term of contract set forth in Article F-1 is extended through September 30, 2006.

FIFTH: Article G-5 is amended to include ACRN AB, as follows:

ACRN: AB 9750400 1320 T465 P5520 2525 DPAC 5 5508 S12136 62304E \$90,000
[ARPA Order No. T465/05]

SIXTH: Article G-7 is changed to read as follows:

G-7 Summary for the Payment Office

- (a) Amount of funds obligated by prior contract actions: \$868,039
- (b) Amount of funds obligated by the instant modification: \$90,000
- (c) Total cumulative amount of obligated funds: \$958,039

CONTRACT NO. HR0011-05-C-0038/MOD P00002

Page 3 of 3

SEVENTH: Article H-12, "Incremental Funding," is changed to read as follows:

H-12 Incremental Funding

This contract shall be subject to incremental funding with \$958,039 presently made available for performance under this contract. It is estimated that the funds presently available are sufficient to permit the Contractor's performance through March 31, 2006. Except in accordance with the Section I clause FAR 52.232-22, "Limitation of Funds," no legal liability on the part of the Government for payment of any money in excess of \$958,039 shall arise unless and until additional funds are made available by the Contracting Officer through an amendment to this contract.

EIGHTH: Article H-14 Contractor Acquired Property (IT) is changed to read as follows:

Revise paragraph (a) to include one high-end workstation suitable for CAD design, one printed circuit board (PCB), and development software tools.

Revise paragraph (b) to increase the total net amount of IT resources by \$7,000 from \$22,823 to \$29,823.

Revise paragraph (e) to read as follows:

(e) This authorization is subject to the Contractor's compliance with the approvals and screening requirements set forth in DFARS Subpart 239.73.

NINTH AND LAST: In consideration of the modifications agreed to herein as complete equitable adjustments for the Contractor's "proposal for adjustment," dated November 8, 2005, the Contractor hereby releases the Government from any and all liability under this contract for further equitable adjustments attributable to such facts or circumstances giving rise to the "proposal for adjustment."

(End of Summary of Changes)